

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Amendment of the Commission's Rules)
To Permit Flexible Service Offerings)
in the Commercial Mobile Radio Services)

GEN Docket No. 96-228

DOCKET FILE COPY ORIGINAL
REPLY COMMENTS OF AMERITECH
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I. Introduction

Ameritech respectfully submits these limited Reply Comments in the above-captioned matter, and supports the continued efforts of the Federal Communications Commission ("Commission") to facilitate the development of new wireless services by allocating radio spectrum in the most flexible manner possible -- as the Commission has done in its tentative adoption of a flexible, adaptable licensing plan for Wireless Communications Services ("WCS"). This pleading addresses three specific areas of the Comments filed by others, as follows.

II. Nationwide licensing should not be adopted for WCS.

Ameritech concurs in the position stated by the Personal Communications Industry Association ("PCIA"), which pointed out in its Comments that the adoption of a nationwide licensing scheme for WCS would "severely limit the number of service

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providers that may obtain licenses.”¹ The financial barriers to market entry presented by the cost at auction of nationwide licensing, coupled with the buildout costs of a coast-to-coast infrastructure necessary to provide service over such a wide footprint, would likely have the effect of precluding entry by all but the most well-funded marketplace entrants. Moreover, given the extremely high investment required to build out service nationwide, licensees are likely to “take years to implement service in low density population territories and low income areas.”² Both results would undoubtedly inhibit the participation of a myriad of entrepreneurs and other service providers seeking to provide “niche” services specifically tailored to meet the needs of residents in less-populated areas of the country. This effect would discourage service providers who would otherwise stand ready to fulfill the Commission’s statutory mandate to “promote rapid deployment of new technologies, especially in rural areas.”³

III. WCS’s buildout requirements and licensing areas should match those adopted for PCS and cellular services.

Ameritech voices its continued support for the Commission's continuing efforts to "ensure that economic forces -- not disparate regulatory requirements -- shape the

¹ Comments of PCIA, at 13.

² Ibid., at 14.

³ Id.

development of the CMRS marketplace.”⁴ However, care must be taken to follow the same principle across all similarly-situated services, which includes all comparable wireless services like WCS, PCS and cellular service. To favor one specific technology or service over another by awarding an arbitrary regulatory handicap would subvert the natural operation of marketplace forces by skewing competition among CMRS providers offering functionally-equivalent services.⁵ In this regard, either an MTA/BTA approach (which would most closely parallel the licensing structure for broadband PCS) or an MSA/RSA approach (which would be patterned after the structure chosen by the Commission for cellular service licensing) would be appropriate as a licensing structure for WCS. To the extent WCS spectrum is used to provide functionally-equivalent services, this would “place WCS entrants on more comparable footing with recent PCS licensees and bidders.”⁶ For the same reasons, the use of five-year and ten-year buildout

⁴ In the Matter of Amendment of the Commission’s Rules To Permit Flexible Service Offerings in the Commercial Mobile Radio Services, WT Docket 96-6, Notice of Proposed Rulemaking, rel. January 25, 1996, at 12 (¶ 20).

⁵ Comments of BellSouth, at 12-13; Comments of Florida Cellular RSA Limited Partnership, at 2.

⁶ Comments of PCIA, at 17.

requirements is appropriate for WCS, as this would match the requirements recently adopted for PCS; this would provide regulatory parity between providers of functionally-equivalent Commercial Mobile Radio Services.

Respectfully submitted,

A handwritten signature in cursive script, reading "Frank M. Panek". The signature is written in dark ink and is positioned above a horizontal line.

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Dated: December 16, 1996

CERTIFICATE OF SERVICE

I, Todd H. Bond, do hereby certify that a copy of the foregoing Reply Comments of Ameritech has been served on all parties of record, via first class mail, postage prepaid, on this 16th day of December 1996.

By: Todd H. Bond
Todd H. Bond